

The following Letter to the Governor, opposing cuts to basic aid school districts, is being circulated to Members of the California State Assembly. It will be delivered to the Governor on Friday, February 14, 2003. As of Friday, February 7, 2003, 25 Assemblymembers signed this letter. Their names appear at the end of the letter.

February 4, 2003

The Honorable Gray Davis, Governor
State of California
State Capitol Building
Sacramento, CA 95814

Dear Governor Davis:

We write to ask that you withdraw the Administration's proposal to capture local property tax revenues from "Basic Aid" school districts around the State.

We all understand that the State faces an extraordinary challenge in balancing its budget, and in meeting the needs of kids and schools in the coming years. We also understand the Administration's position that every school district must share in the solution, including reductions in the level of State funding. Nevertheless, we are forced to oppose the Administration's proposal for the following reasons:

- **It is a *taking* of local property taxes.** What is proposed is *not* a reduction of State support to 50-plus Basic Aid school districts; it is a *taking* of local property tax revenues. At the risk of stating the obvious, the State can't reduce funding it doesn't provide.
- **Taxpayers in these districts are already doing their fair share.** In fact, taxpayers in these districts are already doing their fair share, and then some, in terms of funding public education. In the other 95% of the districts around the State, local property taxes only pay for a portion (roughly 46%) of the per pupil revenue entitlement. That leaves the State to pick up the remaining costs, to the tune of \$15 billion annually. By way of contrast, Basic Aid districts with excess property taxes receive no State support to meet each pupil's revenue limit entitlement — because the local district is already picking up 100% of that cost.

- **Not all Basic Aid districts are "prosperous" districts.** Some Basic Aid school districts have achieved Basic Aid status simply because their established per pupil revenue limit (i.e., funding level) is so low it doesn't take much in the way of property tax revenue to exceed the per pupil revenue limit. In fact, many of us represent at least one Basic Aid school district with a revenue limit so low that if its "excess" property tax is captured by the State, the district will then qualify for State funded equalization aid to raise per pupil funding. In fact, more than half the Basic Aid districts around the State would become "low-wealth" districts eligible for such aid if the Administration's proposal was adopted.
- **Not all Basic Aid students are "prosperous" students.** Even districts with relatively high assessed property value may serve substantial numbers of low and very low income students — in schools with sufficiently large numbers of such students that they qualify for Federal Title I funds (for educationally disadvantaged students).
- **We must equalize up, not down.** The Legislature's concern for and commitment to the needs of students in low-wealth districts is longstanding, as evidenced by AB 441, which began the process of *raising* the per pupil expenditure in such districts in 2001-2002, and AB 2781, which built upon that effort. The Administration's proposal, contrary to that goal, is effectively a leveling down approach.
- **Not a single California school would be better off than it is today.** The proposed capture of local property taxes decimates the core instructional program in 50-plus Basic Aid school districts with no tangible benefit to other kids or school districts around the State. It simply tosses \$126 million dollars of somebody else's money into the black hole that is the State budget deficit.
- **It sets a bad precedent.** Once the State decides it's okay to take a local district's locally generated property taxes, what's to stop the State from laying claim to the additional property tax revenue generated by local parcel taxes approved in non-Basic Aid districts around the State?
- **Not just damaging, but undoable.** Given the requirements of State law, and the planning that schools must do for the upcoming school year, there is no realistic or feasible way for Basic Aid districts to cut their programs by 20, 30 or even 40 percent in the coming year. This is particularly true given the fact that if recent history is any guide, the budget won't be passed and this issue won't be resolved until well after the coming fiscal/school year is already under way.

We face hard times. We know that only too well. Regrettably, public education will not be immune. To their credit, teachers, parents, students and community members around the State are willing to work through it — to do the best they can with reduced support from the State. But to reiterate, this is not a cut in State funding, it's a taking of local property taxes. However well-intended the proposal may have been, it is the wrong approach to solving the State budget crisis.

We oppose the taking of local property tax revenues from our Basic Aid school districts; and we respectfully ask that the Administration withdraw its proposal prior to the March 15th deadline for layoff notices, which now confronts our school districts.

Sincerely,

***Joe Simitian
Joe Nation
John Laird
Hannah-Beth Jackson
Carol Liu
George Plescia
Abel Maldonado
Mervyn Dymally
Kevin McCarthy
Lloyd Levine
Patricia Wiggins
Bill Maze
Fran Pavley***

***Gene Mullin
Sally Lieber
Rebecca Cohn
Juan Vargas
Mark Wyland
Manny Diaz
Ken Maddox
John Dutra
Alan Lowenthal
Simon Salinas
Sarah Reyes
Patty Berg***

(Assemblymember John Campbell has also sent a separate letter opposing the Administration's proposal.)